COMMISSIONER OF POLITICAL PRACTICES



STATE OF MONTANA

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May 5, 2005

TO: Principals

FROM: Gordon Higgins

Commissioner of Political Practices

RE: 2005 Post-session lobbying disclosure reports

Montana Code Annotated § 5-7-208, states that the end of the session lobbying disclosure report is due 30 days following adjournment of the legislature, in this case Monday, May 23, 2005.

Please remember that section 5-7-306, MCA provides that late reports are subject to a \$50 a day civil penalty for each working day that the report is late until the report is filed or until the civil penalties reach a maximum of \$2,500. We encourage you to get your reports in as early as possible.

The Commissioner's office has revised the L-5 lobbying disclosure form in order to make changes that better reflect the intent of the lobbying disclosure statutes and make reporting expenditures easier for principals. Among the key changes is the introduction of two L-5 forms. The first form, the L-5A, is the 2005 calendar year report and the one you will use to file the end of session report and subsequent calendar year reports that are required. The second form, L-5B, will be used for lobbying expenditures during calendar year 2006.

We've also revised the L-5A instructions to ensure that lobbyists and principals better understand their responsibilities for reporting and clearly state that only principals who has made or agreed to make payments in excess of \$2,200 in the calendar year are required to filed the disclosure reports.

In a contested case involving the Teamsters Union Local No. 190, the Commissioner's office dismissed a civil penalty after reviewing the information provided by the principal, the applicable statutes, administrative rules, and current office policies and practices. The Commissioner's office found that the reporting statute appeared inconsistent and could reasonably cause confusion about who is required to file a lobbying report. As a result, the Commissioner's office felt that it needed to take steps to ensure clarity and consistency among the lobbying community.

In making these changes, the Commissioner's office is relying on the 2003 legislative policy decision that the occasional lobbying by groups with one or two areas of interest warranted a de minimis exemption and as a result an exemption from filing disclosure reports. You can access the Teamsters' decision by logging onto the Commissioner's website at: http://www.state.mt.us/cpp/.

Please do not hesitate to contact us if you have questions about this letter or your organization's reporting obligations.